

1 IN THE UNITED STATES DISTRICT COURT  
2 FOR THE EASTERN DISTRICT OF PENNSYLVANIA

3 - - -  
4 GRACE LAWRENCE : CIVIL ACTION  
5 :  
6 vs. :  
7 :  
8 TRANS UNION, LLC and :  
9 CITY OF PHILADELPHIA : NO. 02-CV-4440

10 - - -  
11 Philadelphia, Pennsylvania  
12 Tuesday, June 10, 2003  
13 - - -

14 Telephone Deposition of WILLIAM  
15 STOCKDALE, taken pursuant to notice, at the  
16 law offices of FRANCIS & MAILMAN, 100 South  
17 Broad Street, 19th Floor, on the above  
18 date, beginning at approximately 2:00 p.m.,  
19 before Kristen L. Brown, a Certified  
20 Shorthand Reporter, Registered Professional  
21 Reporter, and Notary Public.

22 - - -  
23 KAPLAN, LEAMAN AND WOLFE  
24 Registered Professional Reporters  
The Bourse - Suite 970  
111 S. Independence Mall East  
Philadelphia, Pennsylvania 19106  
(215) 922-7112  
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1 question.

2 Q. Okay. I'd like to know whether  
3 since you assumed the position of director,  
4 to your knowledge, has Trans Union used  
5 vendors such as Superior Information  
6 Services to gather public records  
7 information on an exclusive basis, or does  
8 Trans Union also obtain public records  
9 information directly from the source  
10 without going through the lenders?

11 A. Since 1994, Trans Union used  
12 public record vendors to purchase public  
13 records. Trans Union never went out and  
14 collected -- since 1994, has never gone out  
15 and collected public records themselves.

16 Q. Why does Trans Union use vendors  
17 such as Superior Information Services?

18 MR. LUCKMAN: Objection to the  
19 form.

20 MR. SOUMLIAS: Could you tell me  
21 what was wrong with the question so I could  
22 clarify it?

23 MR. LUCKMAN: I'm not so much  
24 sure it's just the form than with the

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1 A. Superior competes with other  
2 vendors by -- through a comparison, an  
3 actual data comparison. And it was  
4 determined that Superior actually did a  
5 better job in that area than the  
6 competition, so Trans Union selected  
7 Superior.

8 Q. Could you please tell me what the  
9 data comparisons that you referred to is?

10 A. Yes. We would actually have --  
11 we would actually go to courthouses and  
12 have -- pick up judgments or tax liens or  
13 bankruptcies, and we would compare the  
14 databases of the public record vendor to  
15 determine who had the best data.

16 Q. And what do you mean by the best  
17 data?

18 A. The most accurate, the presence  
19 of.

20 Q. Could you tell me when these data  
21 comparison studies were done by Trans  
22 Union?

23 A. We did one in 1994 and we just  
24 did one in -- within this year, I can't

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1 Q. Now, you said that Superior  
2 scored, if I may use that term, better with  
3 respect to accuracy. Is that a true  
4 statement; is that an accurate statement?

5 A. Yes.

6 Q. And do you know whether, focusing  
7 now on the 1994 study, do you know whether  
8 Trans Union still maintains records of this  
9 data comparison study?

10 A. No.

11 Q. Does Trans Union contain records  
12 of the 2003 data comparison study?

13 A. No.

14 Q. You did not maintain any records  
15 of that?

16 A. No.

17 Q. What happened to the records?

18 A. We discard them once we're done  
19 with the study.

20 Q. Was the result of the study that  
21 you should continue to use Superior in the  
22 Pennsylvania area?

23 A. Yes.

24 Q. To your knowledge, again going  
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1 back to 1994, was Superior also the most  
2 competitive in terms of pricing in addition  
3 to being the most accurate?

4 A. No, they were more expensive.

5 Q. Would you tell me what the  
6 pricing for Superior was, let's say under  
7 your most recent contract with them, the  
8 one that was executed in August of 1999?

9 A. I don't have the exact number,  
10 but it was somewhere around the 40 cent  
11 range per record, and their competitor was  
12 around the 45 cent range.

13 Q. Could you please explain what  
14 that means. When you say 40 cents per  
15 record, what does that mean?

16 A. Collectors go to courthouses and  
17 collect judgments and tax liens and  
18 bankruptcies. So per tax lien that is  
19 collected, whether it's a Status 5 tax lien  
20 or a brand new open tax lien, Trans Union  
21 would pay a unit price and 40 cents,  
22 40-some-plus cents, I think it's 42 cents,  
23 for Superior is what we would pay for  
24 public record.

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1 contractual terms of how to conduct  
2 reinvestigations in connection with public  
3 records, were those contractual terms any  
4 different in the contract that was in place  
5 prior to the August 1999 contract?

6 A. I don't know.

7 Q. Do you know whether Trans Union  
8 maintains copies of that older contract?

9 A. I don't know.

10 Q. Okay. Now, we've mentioned the  
11 audits in 1994, the site visit in 1994, and  
12 the contracts. Is there anything else that  
13 Trans Union did between 1994 and 2000 to  
14 assure that Superior was providing accurate  
15 information pursuant to your business  
16 relationship?

17 MR. LUCKMAN: Object to the  
18 form.

19 THE WITNESS: Yes.

20 BY MR. SOUMILAS:

21 Q. Could you tell me what else Trans  
22 Union did?

23 A. I personally have visited  
24 Superior at least three times that I'm

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1 aware of for site visits to make sure that  
2 they had credible procedures in collecting  
3 public record information.

4 Q. Other than those three personal  
5 site visits, anything else?

6 A. Yes. We also trend their  
7 information to make sure that the  
8 information that affects Trans Union is  
9 consistent in the area of quality control

10 checks, as well as the volume that is being  
11 set.

12 We have set thresholds, so if any  
13 area within the threshold that we have set  
14 exceeds five percent high or low, we would  
15 set an indicator to tell us that we could  
16 verify with the public record vendor what  
17 the reason was for the exceeding of the  
18 threshold.

19 Q. Anything else other than trending  
20 the information and the three personal  
21 visits, in addition to the information that  
22 you testified about earlier?

23 A. I can't think of anything else  
24 that we did.

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1 in place and show me actual data that they  
2 would use to make sure that the collectors  
3 were collecting information accurately.

4 Q. How long a period of time did  
5 your 1999 on-site visit last?

6 A. A day.

7 Q. Full day?

8 A. Three quarters of a day; six  
9 hours.

10 Q. What was the result of that  
11 visit? In other words, were you satisfied  
12 that their procedures were adequate?

13 A. I don't know of a public record  
14 vendor that does a better job than  
15 Superior, that's how satisfied I was with  
16 their product.

17 Q. Would you also please elaborate  
18 on what you've identified as trend or  
19 trending information, specifically when is  
20 that done; is it done on an ongoing basis,  
21 is it a one time study, what is it?

22 A. It's an ongoing basis. Every  
23 time we receive a transmission from  
24 Superior, they electronically transmit data

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1 to us, we run the quality control checks  
2 against the trended information that we  
3 receive from the previous six runs of  
4 data.

5           So, for instance, if we normally  
6 receive a hundred judgments that were  
7 satisfied, our expectation would be that we  
8 should receive around the same amount of  
9 judgments because courthouses can only  
10 handle a certain amount of cases a week, a  
11 month, depending on how the data is  
12 provided to us from Superior. And, again,  
13 if we succeeded the threshold by five  
14 percent, then we're going to question that  
15 information.

16 Q.           I'm sorry, you said that you do

17           these every one hundred what? I thought  
18 you mentioned a one hundred unit, am I  
19 wrong about that?

20 A.           Yes.

21 Q.           What was the reference to a  
22 hundred for?

23 A.           It was an example.

24 Q.           Oh, it was an example. You said

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1 that the trend information is ongoing. Is  
2 it on a daily basis that you would check  
3 this?

4 A. When I say ongoing, and I'm not  
5 sure if Superior comes in daily or weekly.  
6 I believe they come in weekly, but doesn't  
7 matter when they come in. When they come  
8 in, we take the information that we receive  
9 and we run the current information up  
10 against the last six transmissions  
11 electronically, transmitted data from  
12 Superior. We run that information up  
13 against the last six and we check certain  
14 criteria.

15 Q. Let me just make sure I  
16 understand that. So if we assume for the  
17 sake of this deposition that Superior  
18 reports to Trans Union public records data  
19 once per week, every time a new weekly  
20 report comes in you statistically compare  
21 it to the previous six?

22 A. Correct.

23 Q. Do you maintain records of these  
24 statistical comparisons?

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1 A. Yes. We archive that  
2 information. I don't know how far back we  
3 go, but we do have that information.

4 Q. To your knowledge, have you ever  
5 had a problem, for lack of a better word,  
6 with the information that was coming in  
7 from Superior on any given week as it  
8 compared to the trend?

9 A. Yes.

10 Q. You did. Could you please tell  
11 me about that.

12 A. Certainly. If the -- they are  
13 archived when, and I don't know the exact  
14 number, but let's say Superior transmits  
15 10,000 records a month, there have been  
16 times where they only transmitted 9,000, so  
17 we were short a thousand. So we called up  
18 Superior to find out why did we only  
19 receive 9,000 judgments. And they would  
20 report back to us the reasons why.

21 Many times it was because the  
22 courthouse didn't allow a collector into  
23 their courthouse that week because they  
24 were remodelling, or they did not get

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1 access to the data that week or they had a  
2 systemic problem and they were backlogged  
3 with information so they could not provide  
4 it to us.

5 Q. Do you know how many times that  
6 sort of a problem happens over the course  
7 of a year?

8 A. Not very often, less than a  
9 percent.

10 Q. And is it always triggered by  
11 having a five percent deviation from the  
12 previous six reports?

13 A. Yes.

14 Q. Other than this five percent  
15 deviation, is there anything else that  
16 would alert Trans Union of a potential  
17 problem?

18 A. In our consumer -- the only other  
19 check would be in a consumer relations  
20 department. If we started to receive a  
21 numerous amount of disputes that were in  
22 the area of public record and they all seem  
23 to be located in Superior -- in areas that  
24 Superior provides that information to us,

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1 Trans Union would then send that dispute  
2 over to Superior to have them verify the  
3 accuracy of the information.

4 Q. And it's Superior's job to  
5 conduct the investigation?

6 A. (No response.)

7 Q. Is it Superior's job to conduct  
8 the information?

9 A. It would be Superior's job to go  
10 to the courthouse and verify the public  
11 record.

12 Q. They're required to physically go  
13 to the courthouse and verify it?

14 A. Yes.

15 Q. And this is the \$5 charge that we  
16 talked about under the 1999 contract?

17 A. Yes.

18 Q. Once they report back to Trans  
19 Union, does Trans Union do any other  
20 investigation, or does it simply report the  
21 result of Superior's investigation?

22 MR. LUCKMAN: Object to the  
23 form.

24 BY MR. SOUMLIAS:

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1 Q. With respect to Superior, I think  
2 you characterized them, if my notes are  
3 accurate, that you don't know of a better  
4 public records vendor. Other than this  
5 lawsuit, do you know of any other lawsuits  
6 in which Trans Union is involved where the  
7 allegation is that Superior did not provide  
8 accurate public records information?

9 A. No.

10 Q. You're moving us along fast.

11 With respect to the relationship  
12 between -- the business relationship  
13 between Trans Union and Superior, I just  
14 want to make sure that I understand just a

15 couple specifics about it. When Trans  
16 Union reports information to third parties  
17 such as credit furnishers about a public  
18 record showing up for a particular  
19 consumer, does Trans Union include in it's  
20 credit reports that the information comes  
21 from Superior, or does it simply list the  
22 public record at issue?

23 A. It only shows the public record,  
24 it does not show who picked the public

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